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RECORDATION NO. 21309 FILED

APR 2 '98 11-45AM

✓
OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 21309-A FILED

APR 2 '98 11-45AM

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RECEIVED
SURFACE TRANSPORTATION
BOARD

April 2, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Master Equipment Lease Agreement No. One, dated as of December 1, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents, and three (3) copies of Equipment Lease No. 1, a secondary document relating thereto.

The names and addresses of the parties to the enclosed documents are:

Lessor: MetLife Capital, Limited Partnership
10900 N.E. 4th Street
Bellevue, Washington 98009

Lessee: The Burlington Northern and Santa Fe
Railway Company
2650 Lou Menk Drive
Fort Worth, Texas 76131

A description of the railroad equipment covered by the enclosed documents is:

Ninety-seven (97) tri-level auto racks to be identified on supplemental equipment schedules.

Vernon A. Williams
April 2, 1998
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Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of each of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

APR 2 '98 11-45 AM

EQUIPMENT LEASE NO. 1
Incorporating
Master Equipment Lease Agreement No. One

Lessor:	<u>MetLife Capital, Limited Partnership</u>	Lessee:	<u>The Burlington Northern and Santa Fe Railway Company</u>
Address:	<u>10900 N.E. 4th Street, Suite 500</u> <u>Bellevue, WA 98004</u>	Address:	<u>2650 Lou Menk Drive</u> <u>Fort Worth, TX 76131</u>
Attn:	<u></u>	Attn:	<u>Director - Equipment</u>

R E C I T A L S:

- 1) The Equipment consists of 97 each Tri-Level auto racks mounted on flatcars owned by Trailer Train.
- 2) Prior to commencement of this Lease, Lessee will arrange with Trailer Train for the continued use of the flatcars, but such arrangement shall not be a condition precedent to the effectiveness of this Lease.
- 3) It is understood that the auto racks will, prior to commencement of the Lease, be converted, at Lessor's expense, from a chain and ratchet tie down configuration to a chock configuration. It is further understood that the conversion will take place at a certified facility.
- 4) As the conversions are completed, Lessee will be notified of such completion and will deliver to Lessor notice of acceptance or rejection of the Item within ten (10) days following receipt of notice of completion. The address for such notice of completion is as follows:

The Burlington Northern and Santa Fe Railway Company
Mechanical Division
2650 Lou Menk Drive
Fort Worth, TX 76131
Fax: (817) 352-7255

Attention: Steve Bram

If Lessee fails to deliver such notice of acceptance or rejection within such 10-day period, Lessee shall be deemed to have accepted the Equipment.

Lessor and Lessee agree as follows:

1. General

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor each Item accepted under this Lease on the terms and conditions set forth in this Lease and the above Master Equipment Lease Agreement (the "Agreement"). Lessor and Lessee hereby affirm the Agreement and incorporate its terms in this Lease by this reference. Various terms used in each of the two documents are defined with reference to the other.

2. Equipment Description

Ninety-Seven (97) 1987 built Tri-Level Auto Racks with chain tie downs and chock blocks mounted on flat cars owned by Trailer Train.

3. Recovery Period Category for Chocks for Federal Tax Purposes (See Section 10(e) of the Agreement):

7 year property

Lessee will mark the Equipment with its marks upon delivery of the Equipment to Lessee, and Lessor shall be responsible for removing such marks, at Lessor's expense, at the end of the Basic Term or any Renewal Term. Lessee shall be entitled to any and all per diem earned with respect to the Equipment from and after the date it becomes subject to a Lease. During the period before Lessee's marks have been placed on the Equipment, Lessor shall use all reasonable efforts to ensure payment of such per diem to Lessee.

4. Rent

Lessee will pay rent for each Item in the number of consecutive payments as shown below. Rent payments will be due and payable on each rent payment date during the Item's Lease Term. Each periodic rent payment will equal the amount shown below:

Interim Rent:

Interim Rental Rate: [REDACTED] per day per auto rack

Items of Equipment accepted by Lessee at the delivery location shall remain on Interim Rental until the earlier of (i) the date all Items shall have been picked up by Lessee, or (ii) ten (10) days after Lessor shall have given notice to Lessee that the last Item is available for use, or (iii) January 31, 1998, at which time the Base Term will commence.

Periodic Rent:

Number of rent payments: [REDACTED]
Rent payment factor: [REDACTED] Per Day Per Item of Equipment
Rent payment date: Last Day of Each Month
Advance _____ Arrears X

5. Total Equipment Cost per 97 auto racks [REDACTED] per rack)

6. Sales/Use Tax

Sales/use tax will be payable by Lessee where applicable.

7. Basic Term Length: 5 years until January 31, 2003

8. Renewal

In the event that Lessee elects to renew at the end of the Basic Term pursuant to Section 16(a), such renewal term shall be for one (1) year unless otherwise agreed.

9. Required Documents

Unless Lessor shall have given written approval for partial payment, Lessor will be obligated to pay the Total Cost of any Item only when it has received and approved the following true and correct documents:

- (a) A Certificate of Acceptance for the Item signed by Lessee.
- (b) An original invoice from the vendor of the Item showing its Total Cost, or from Lessee if the transaction is a sale and leaseback of the Item.
- (c) If the invoice for the Item shows Lessee rather than Lessor as the "sold to" party, an assignment of the Lessee's purchase order, or, in Lessor's discretion a bill of sale for the Item from the vendor of the Item to Lessor, or from Lessee if the transaction is a sale and leaseback of the Item, in form and substance satisfactory to Lessor
- (d) Uniform Commercial Code Financing Statement(s) as prepared by Lessor and signed by Lessee.
- (e) Three fully executed originals of the Master Equipment Lease Agreement.
- (f) Three fully executed originals of this Lease.
- (g) Automated Clearing House form(s).
- (h) Evidence of recording at the Surface Transportation Board
- (i) Opinion of counsel as to due recording at the Surface Transportation Board (at Lessor's expense).

10. Return

Notwithstanding Section 16 (b) of the Master Lease to the contrary, in the event that Lessee elects to return the Equipment, it shall comply with the following conditions:

- (a) The Equipment will be in the condition required by Section 11 of the Agreement.
- (b) A joint inspection will be performed promptly after the Lease termination date between Lessee and Lessor, or their respective designated agents, to evaluate compliance with the above conditions. Any uncorrected faults/non-compliance will be corrected promptly by Lessee or Lessee and Lessor shall enter into a mutually acceptable monetary settlement with respect thereto.
- (c) Lessee will provide up to 30 days storage at no cost to Lessor and Lessee shall maintain insurance coverage in accordance with the provisions of Section 9 of the Master Lease during such storage period. Upon termination of the storage period, Lessee shall deliver the Equipment to a maximum of two locations on Lessee's lines in the Continental United States designated by Lessor. Lessee will allow reasonable access to the Equipment during the storage period for inspection by potential buyers.
- (d) Lessor shall reimburse Lessee for any and all rentals on the trailer train flatcars on which the Equipment is located from and after the date the Equipment is returned to Lessor or placed in storage for Lessor.

LESSOR:

METLIFE CAPITAL, LIMITED PARTNERSHIP

By: MetLife Capital Corporation, General Partner

By: Jane E. Chaney

Title: VP / Manager

Date Signed 11/19, 1997

LESSEE:

THE BURLINGTON NORTHERN AND SANTA
FE RAILWAY COMPANY

By: J. B. McLean

Title: Vice President

Date Signed 11-26, 1997

I, Judy Johnston, hereby certify this to be a true and correct
copy of the original Equipment Lease No. 1.

MetLife Capital, Limited Partnership

By: MetLife Capital Corporation,
General Partner

Judy Johnston
Vice President

EXHIBIT "A" TO EQUIPMENT LEASE NO. 1
STIPULATED LOSS VALUE FOR AUTO RACKS

Based On Original Of [REDACTED] Per Rack		Based On Original Of [REDACTED] Per rack	
At the end of Period	Percent of Cost	At the end of Period	Percent of Cost
1	100	31	74
2	99	32	73
3	98	33	72
4	97	34	71
5	96	35	70.5
6	95	36	70
7	94	37	69
8	93	38	68
9	92	39	67
10	91	40	66
11	90.5	41	65.5
12	90	42	65
13	89	43	64
14	88	44	63
15	87	45	62
16	86	46	61
17	85.5	47	60.5
18	85	48	60
19	84	49	59
20	83	50	58
21	82	51	57
22	81	52	56
23	80.5	53	55.5
24	80	54	55
25	79	55	54
26	78	56	53
27	77	57	52
28	76	58	51
29	75.5	59	50.5
30	75	60	50